

Tranche 5  
December 04, 2001

DESIGNEES	ON UN 1390 LIST	TYPE
1 AL-AQSA ISLAMIC BANK	No	Entity
2 BEIT EL-MAL HOLDINGS	No	Entity
3 HOLY LAND FOUNDATION FOR RELIEF AND DEVELOPMENT	No	Entity



**FROM THE OFFICE OF PUBLIC AFFAIRS**

December 4, 2001  
PO-840

**"Remarks by John B. Taylor, Under Secretary of the Treasury  
On the Financial Fight Against Terror"**

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President Bush announced the first shot in the war on terrorism on September 24<sup>th</sup> when he listed 27 terrorist organizations and individuals and instructed U.S. financial institutions to block their accounts. Additional shots in this war have repeatedly been fired since September as 127 additional entities were listed and their assets ordered frozen. Today, President Bush and Secretary O'Neill announced that we are continuing the fight to deny funding to those who promote and support terror.

The terrible events in Israel over the weekend underscore the need for prompt action against all terrorist organizations. Hamas has proudly claimed credit for killing scores of people. Hamas also raises money to support the use of terror in other countries around the world. Clearly, Hamas is a terrorist organization of global reach.

Since October 1, 2000 Hamas has claimed responsibility for at least 20 other bombings, two shootings, one kidnapping and one mortar attack. At least 77 people, including three American citizens, have been killed in these attacks and at least 547, including four Americans, have been injured. The use of suicide bombers has become a Hamas trademark.

With today's announcement we are focussing on three Hamas-controlled organizations that finance terror:

- The Holy Land Foundation masquerades as a charity while its primary purpose is to fund Hamas. Last year Holy Land raised \$13 million in the United States. This morning we shut down four offices of the Holy Land Foundation in the United States.
- Beit el-Mal Bank, a public holding company that funnels money to and for Hamas, ostensibly engages in investments and finance and has assets estimated at \$25 million. The company's chairman is a major financial player in Hamas and a majority of shares in the company are held by members of Hamas.
- Al Aqsa Islamic Bank. Like Beit el-Mal, Al Aqsa is a direct arm of Hamas, established and used to do the business of this organization.

The actions the United States has taken today are important. But action here at home is not enough. Blocking orders must be put in place around the world, not just in the U.S. This requires building a global coalition against the financing of terrorism. Terrorist assets -- like the terrorists themselves -- must have no safe harbor. Combating the financing of terrorists is a critical facet of our international agenda.

To help build this coalition we continue to communicate and coordinate with our international partners. We have spoken to

finance officials in nearly 100 countries, and have advanced this agenda in multilateral fora. In order to measure progress, our Task Force on Terrorist Finance at Treasury is keeping track, account by account, dollar by dollar, of all countries' efforts. To date, 196 countries and jurisdictions have committed to join this effort; 139 countries now have blocking orders on terrorist assets in force; and over \$61 million in terrorist assets has been frozen globally since September 11.

Ultimately, implementation and enforcement are the critical factors of success. Combating the financing of terrorism is an essential part of the overall war on terrorism. We will continue to name the financiers of terrorism to ensure that Hamas and other terrorist organizations have no ability to finance their acts of evil. We will work with every nation around the globe to ensure that there is no safe haven for terrorist money. This is a fight we expect to win.



**FROM THE OFFICE OF PUBLIC AFFAIRS**

December 4, 2001  
PO-841

**"Shutting Down the Terrorist Financial Network  
December 4, 2001"**

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*"From the beginning of this fight, I have said our enemies are terrorist organizations of global reach, and all who harbor them and support them. . . . Our action today is another step in the war on terrorism. It's not the final step. There are more terrorist networks of global reach, and more front groups who seek to support them. The net is closing. Today, it just got tighter."*

President George W. Bush  
December 4, 2001

**Today's Action**

- Highlighting another significant step in the financial war against terrorism, President Bush announced action to block the assets of three entities that provide financial and material support to the terrorist organization HAMAS:
  - The U.S.-based Holy Land Foundation for Relief and Development provides millions of dollars each year that is used by HAMAS;
  - Beit el-Mal Holdings, an investment company controlled by HAMAS; and
  - Al-Aqsa Islamic Bank, a financial arm of HAMAS substantially owned by Beit el-Mal.
- Federal agents locked down the Holy Land Foundation's headquarters in Richardson, Texas, as well as its three other offices in Bridgeview, Illinois, Patterson, New Jersey, and San Diego, California, securing their offices and taking custody of relevant business records.
- This action against financiers of HAMAS makes good on our promise to go after the fundraisers for all terrorists of global reach.
- Today's action is taken under the authority of Executive Order 13224, signed by the President on September 23, which authorizes aggressive actions against the bankers of international terrorism.

**HAMAS**

- HAMAS is a militant offshoot of the Muslim Brotherhood, an organization founded in 1928. HAMAS is a terrorist organization that espouses an extremist Islamic fundamentalist ideology, calling for the total destruction of the State of Israel. HAMAS confessed responsibility for this past weekend's suicide attacks in Israel that killed 26 people. In the past twelve months, it has killed two Americans, one of whom was pregnant.
- HAMAS was designated as a terrorist organization in 1995 pursuant to Executive Order 12947, and also in 1996 pursuant to the Antiterrorism Act. On November 2 of this year, it was added to the list of terrorist organizations subject to action under Executive Order 13224.
- HAMAS pursues a combined program of violence and terror. The principal

purpose of its armed attacks is to intimidate and coerce the Government of Israel and its civilian populations. Its benevolent programs are used to enhance its image and earn goodwill in the Palestinian community.

- Since it denounced the Oslo accords in 1993, HAMAS has carried out a number of notorious acts of terror. It staged a series of fatal suicide attacks after Prime Minister Rabin's assassination in 1996, escalating violence in Israel and disrupting the peace process.
- Between October 1, 2000 and September 10, 2001, HAMAS claimed responsibility for at least 20 bombings, two shootings, one kidnapping and one mortar attack: at least 77 persons, including two American citizens, have been killed in these attacks and at least 547, including four Americans, have been injured. The use of suicide bombers has become a HAMAS trademark.

#### **The Holy Land Foundation for Relief and Development**

- The Holy Land Foundation for Relief and Development, headquartered in Richardson, Texas, raises millions of dollars annually that is used by HAMAS. Last year, Holy Land raised over \$13 million.
- Holy Land supports HAMAS activities through direct fund transfers to its offices in the West Bank and Gaza that are affiliated with HAMAS and transfers of funds to Islamic charity committees ("zakat committees") and other charitable organizations that are part of HAMAS or controlled by HAMAS members.
- The Holy Land Foundation, originally known as the Occupied Land Fund, was established in California in 1989 as a tax-exempt charity, not a religious organization. In 1992, the Holy Land foundation relocated to Richardson, Texas. It has offices in California, New Jersey, and Illinois, and individual representatives scattered throughout the United States, the West Bank, and Gaza.
- Mousa Mohamed Abou Marzook, a political leader of HAMAS, provided substantial funds to the Holy Land Foundation in the early 1990s. In 1994, Marzook (who was named a Specially Designated Terrorist by the Treasury Department in 1995) designated the Holy Land Foundation as the primary fund-raising entity for HAMAS in the United States.
- Holy Land Foundation funds are used by HAMAS to support schools that serve HAMAS ends by encouraging children to become suicide bombers and to recruit suicide bombers by offering support to their families.

#### **Beit El-Mal Holdings**

- Beit el-Mal Holdings is a public investment company with locations in East Jerusalem, the West Bank, and the Gaza strip. Although its stated business activities are making loans and investing in economic and social development projects, Beit el-Mal has extensive ties to HAMAS. The majority of its founders, shareholders, and employees are associated with HAMAS. Persons identified with HAMAS hold a majority of the company's stock, and it has invested in projects in Gaza and the West Bank that are owned or managed by HAMAS activists.
- Beit el-Mal transfers money to and raises funds for associations that the Palestinian Authority itself has identified as belonging to HAMAS, and to known HAMAS activists and convicts who are members of HAMAS.

#### **Al-Aqsa Islamic Bank**

- Al-Aqsa Islamic Bank, with locations in the West Bank and Gaza Strip, is a financial arm of HAMAS. Al Aqsa is 20% owned by Beit el-Mal, and the two share senior officers and directors. In addition, a majority of its shareholders and senior officials have ties to HAMAS.

- Individuals associated with the Bank have been previously arrested and charged with financing HAMAS activities in the Middle East. Soon after the bank opened in 1998 its connection to HAMAS extremists became evident and a number of banks refused to clear its transactions.

#### **Update on Progress since the September 23 Executive Order**

- On September 23, the President signed Executive Order 13224, expanding the Treasury Department's authority to block assets and U.S. transactions of persons or institutions associated with terrorists or terrorist organizations. The Order also established our ability to block the U.S. assets of, and deny access to U.S. markets to, those foreign banks that refuse to cooperate in freezing terrorist assets.
- On November 2, HAMAS and 21 other foreign terrorist organizations not related to al Qaeda were added to the Executive Order.
- The U.S. has now designated 153 individuals, organizations, and financial supporters of terrorism pursuant to Executive Order 13224. Designees include terrorists from around the world.
- Prior to today's action, the U.S. has blocked over \$27 million in assets of the Taliban and al Qaeda, and other nations have blocked at least \$33 million.
- The Treasury Department has established an inter-agency Foreign Terrorist Asset Tracking Center, and mobilized financial investigators -- under Operation Greenquest - to develop leads for further enforcement action.
- The United States has also worked with our allies around the world to ensure coordinated action.
- 139 nations have blocking orders in force.
- UN Security Council Resolution 1373, sponsored by the U.S. and passed on September 28, requires all nations to deny safe haven to terrorists.
- The 29-nation Financial Action Task Force has articulated concrete steps nations must take to combat terrorist financing, and invited action plans from all countries to ensure full implementation by June 2002.
- The G-8 have agreed to work with the coordinating committee of the UN to provide technical assistance to countries seeking to implement UNSCR 1373.
- The Administration has sent to the Congress legislation to enable ratification by the U.S. of the UN Convention on the Suppression of Terrorist Financing.